

## **MINUTES**

### **KANSAS ELECTRIC TRANSMISSION AUTHORITY**

June 30, 2006  
First Floor Hearing Room  
1500 SW Arrowhead Rd.  
Topeka, KS 66612

#### **Members Present**

Representative Carl Holmes, Chairperson  
Mr. Earnest Lehman, Vice-Chairperson  
Mr. Tim McKee, Secretary  
Senator Janis Lee  
Representative Annie Kuether  
Mr. Les Evans

#### **Members Absent**

Senator Jay Emler

#### **Staff Present**

Mary Galligan, Kansas Legislative Research Department  
Mary Torrence, Revisor of Statutes Office

### **Morning Session**

The Chairperson called the meeting to order at 9:05 a.m.

#### **Discussion of Agenda**

The Chairperson asked whether anyone present who was not listed on the agenda wanted time to speak. No one requested time on the agenda.

#### **Approval of Minutes**

*Mr. Lehman moved (McKee) to approve April 18 and May 18 meeting minutes with the latter corrected to reflect that the meeting was held during the noon recess of the Southwest Power Pool (SPP) meeting. Motion passed.*

## **Presentations Regarding Transmission Issues Related to Wind Energy Production**

The Chairperson recognized Jeff Schlichting, HMM Energy Resources, Inc. (Attachment 1).

The Chairperson recognized Mike Jacobs, Deputy Policy Director, American Wind Energy Association (Attachment 2—slides, and Attachment 3 – “Western State Transmission or Infrastructure Authorities: an Overview”).

Mr. Jacobs made the point that the amount of fluctuation in wind power generation is not any more difficult to manage than the amount of fluctuation that results from changes on the demand side. It all just has to be managed.

He pointed to the Wyoming Authority’s model. The Wyoming Authority has partnered with a private sector entity to begin the steps that take time, e.g., locating and obtaining rights-of-way. He suggested that KETA find a partner who is willing to put up some capital for those initial steps so they are all done once someone steps up to ask for the capacity.

Mr. Jacobs observed that the western grid has no strong planning entity, as there is here with SPP. He noted that a partnership like the one being used in Wyoming would ideally work with SPP.

The Board meeting reconvened at 10:30 a.m. after a recess.

The Chairperson asked the Board to address the issue of future meetings and topics. He proposed that the next meeting be August 7-8. Members agreed to those meeting dates.

The Chairperson suggested that the meeting include testimony regarding:

- Independent transmission companies;
- The Wyoming Infrastructure Authority background, organization, and recent activities; and
- Traditional generators who have proposed base-load generation and transmission projects; and perceived barriers to those projects.

He suggested that if time permits, the agenda also might include presentations by the transmission-dependent utilities and the municipal power buying groups such as Kansas Power Pool and KMEA. All of those topics were identified as potential meeting topics during the Board’s April meeting.

Jim Ploger, KCC, informed the Board that he had reserved the KCC’s first floor hearing room for the Board’s August meeting.

The Chairperson returned to Presentations, and recognized Reed Armstrong, PPM (Attachment 4).

The Chairperson distributed copies of the NCSL *Transmission Primer* to Board members.

The Chairperson recognized Dave Kreimer, Tradewind Energy. Mr. Kreimer discussed the process used by SPP to study transmission projects and to determine how costs will be allocated. He noted that by the end of the study process, a company will have invested approximately two years and thousands of dollars and will have not secured a relationship with a customer via a service transmission request.

Mr. Kreimer said that he has no magic answers for the role of KETA to improve the transmission system for Kansas economic development. He stated that the mission for TradeWind Energy is to develop natural resources for the benefit of Kansas utilities and landowners.

The Chairperson recessed the meeting at 11:50 a.m.

### **Afternoon Session**

The Chairperson called the meeting back to order at 1:35 p.m.

The Chairperson recognized Susan Duffy, Executive Director of the Kansas Corporation Commission (KCC), to discuss procedures for payments and reimbursements authorized by the KETA statute. Ms. Duffy stated that the KCC will carry out administrative duties for KETA, help with any RFP, make purchases on KETA's behalf, and perform other administrative tasks. She stated that a memorandum of agreement was not required in order for the KCC to do this work for KETA.

Ms. Duffy reviewed the State travel reimbursement rules. She stated that the legislator members of the Board would receive compensation and expenses just as they do during the legislative session. The KETA statute authorizes non-legislator members to receive \$35 per day compensation. That amount is salary and is taxable as such. Subsistence is \$8.00 per quarter day for those non-legislator members who must stay overnight. That amount is not taxable. Meal expenses are not reimbursed unless non-legislator members are away from home overnight. She suggested that members who need to stay in a hotel call the KCC to make accommodation arrangements. Members who have questions should contact Ruth Scott at the KCC.

Ms. Duffy reminded the Board that the Legislature approved FY 2007 expenditures totaling \$70,000 for KETA from the KCC's regulation fee fund.

The Chairman recognized Bridget Patti, JW Prairie Windpower, LLC (Attachment 5). Ms. Patti suggested that low transmission facilities maps would be very helpful resources for community wind projects. She said that KETA could help by providing resources to the smaller scale projects.

In response to a question from a Board member, Larry Holloway, KCC, stated that the KCC has maps of transmission lines for all rural areas in the state. As far as he knows, the KCC would be the source for the maps that Ms. Patti is requesting.

The Chairman recognized Craig Volland, Kansas Sierra Club (Attachment 6). Mr. Volland presented results of research regarding the reliability of wind as an electricity generation resource.

The Chairman recognized Jim Roberts, Horizon Wind. Mr. Roberts noted that wind generators must have customers and must have transmission to make a successful wind project. There are good sites and receptive land owners in western Kansas, but the lack of transmission is

the barrier to development. Wind developers will migrate to states and sites where they can actually build projects.

Mr. Roberts said that the Flint Hills controversy snuck up on all the developers. They did not expect the problems, but he is sure all the developers have gotten the message.

The Chairperson recognized Steve Jones, enXco. Mr. Jones served on the committee that drafted the Texas rules and regulations. Spearville is Enexo's project. It is being turned over to KCPL. He said he believes that an RPS and accelerated depreciation are good incentives.

The Chairperson recognized Ron Klataske, Audubon Society and other conservation interests. He praised the Spearville project as a good site and a good process involving local citizens and conservationists. The groups he represents want to encourage desirable sites and discourage undesirable ones. They would like power line siting guidelines and would like protection of the Smoky Hills, Sand Sage Prairie, Cheyenne Bottoms and Quivira wildlife refuges, as well as the Flint Hills.

In response to a question from a Board member, Larry Holloway said that line siting standards rely primarily on public input. The time frame for that is very short, though.

The Board requested the following information:

- A copy of the Missouri legislation that nearly passed this year.
- The percentage of Oklahoma electricity generation from gas, compared to the amount for Kansas. Larry Holloway, KCC, said he would get that information.
- A summary of the EPA Clear Sky Study of the health care cost of coal generation. Jim Ploger, KCC, said he may have that.

The Chairperson recognized Larry Holloway KCC, to present a brief SPP update. He stated that the cost allocation group is trying to craft tariff language for economic projects. Compensation will be paid by users as they use the transmission.

The Chairperson adjourned the meeting at approximately 3:30 p.m.

Respectfully submitted by Tim McKee, Secretary

Approved by the Board on:

August 7, 2006